

REUTER
24 March 1982

STAT

111R313

R A5425)1ZYRZOTZYR

17AM-ARMS (3 TAKES)2

WASHINGTON, MARCH 24, REUTER -- CONGRESSIONAL INVESTIGATORS CHARGED TODAY THAT LAX GOVERNMENT PROCEDURES AND THE EFFORTS OF A PROBABLE CENTRAL INTELLIGENCE AGENCY (CIA) AGENT HELPED A U.S. FIRM VIOLATE THE ARMS EMBARGO AGAINST SOUTH AFRICA.

THE REPORT BY INVESTIGATORS FOR THE HOUSE AFRICA SUBCOMMITTEE SHARPLY CRITICIZED THE DEPARTMENTS OF STATE, DEFENSE AND THE CIA FOR ALLEGED FAILURE TO ENFORCE ADEQUATELY THE EMBARGO.

IT SAID THE NOW DEFUNCT SPACE RESEARCH CORPORATION OF VERMONT WAS ABLE TO SHIP 32,000 155-MILLIMETER ARTILLERY SHELLS TO SOUTH AFRICA FOR THE ANGOLA WAR UNDER A 19-MILLION-DOLLAR DEAL FROM 1976 THROUGH 1978.

THE COMPANY WAS LATER CONVICTED BY A FEDERAL COURT AND TWO OF ITS OFFICERS SERVED PRISON TERMS.

THE REPORT SAID "THE APPEARANCE OF GOVERNMENT PERMISSIVENESS TOWARDS THE SHIPMENTS HELPED PREVENT THE JUSTICE DEPARTMENT FROM VIGOROUSLY PROSECUTING SPACE RESEARCH AND ITS COLLABORATORS DURING 1980 AND 1981."2

MORE 1951 NP

111R314

R A5420)2ZYRZOTUIV

17AM-ARMS 2 WASHINGTON2

THE REPORT PARTICULARLY ACCUSED THE STATE DEPARTMENT'S OFFICE OF MUNITIONS CONTROL OF MISAPPLYING ITS OWN REGULATIONS IN A SERIES OF ACTIONS THAT LET THE DEAL GO THROUGH.

"A PROBABLE CIA AGENT WORKED DIRECTLY WITH SOUTH AFRICAN ARMS OFFICIALS TO BYPASS THE U.S. EMBARGO," THE REPORT SAID.

THE CHAIRMAN OF THE SUBCOMMITTEE, HOWARD WOLFE, A MICHIGAN DEMOCRAT, TOLD REUTERS THERE WAS NO PROOF THAT THE CIA ITSELF WAS INVOLVED IN THE DEAL, ALTHOUGH THERE WAS EVIDENCE THAT A CIA AGENT POSSIBLY WORKING ON HIS OWN HELPED IN IT.

LAX U.S. ARMY PROCEDURES ALLOWED THE COMPANY, WHICH ALSO HAD A CANADIAN AFFILIATE, TO USE AN ARMY MUNITIONS PLANT TO HELP PRODUCE THE ARTILLERY SHELLS FOR SOUTH AFRICA, ACCORDING TO THE INVESTIGATORS.

THE FIRM HAD CONTRACTED WITH THE PLANT FOR THE ARMS SAYING THEY WERE DESTINED FOR ISRAEL AND THE NORTH ATLANTIC TREATY ORGANIZATION, ACCORDING TO INVESTIGATORS.2

MORE 1953 NP